the point and in the large majority of cases would disclose the extent of alien interests and control:—

(a) Every allottee of shares upon allotment and every transferee upon transfer should be required to make a declaration disclosing his nationality and whether he is the beneficial owner of the shares, and, if not, for whom he is trustee, and what is the nationality of the beneficial owner, and should undertake within a limited time, after any change in the beneficial ownership, to communicate the new facts to the company. In default of compliance with the above, the shares should, at the option of the company, either (1) be liable to sale by the company and the holder be entitled only to the proceeds; or (2) be liable to forfeiture and the holder be entitled to receive payment from the company of 10 per cent. less than the market value of the share, or if there be no market value, then 10 per cent. less than the value at which the share would be taken for *ad valorem* stamp duty if it were the subject of transfer. In case the company made default in exercising its power, the Board of Trade should be authorised to require the above sale to be made.

(b) Every director, upon coming into office, should be required to make a declaration disclosing his nationality and stating whether in his office he is wholly free from the control or influence of any alien, and if he is not so free, stating by whose directions or under whose control or influence he is to act and what is the nationality of that person, and should undertake within a limited time after any change in that

state of things to communicate the facts to the Board arid procure a statement of the facts to be entered in the Boaxd minutes. Any breach of these obligations to be visited with a penalty which should be severe.